

Amend the bill by adding after the word "prescribe," at the end of Section 7, the following: "The warehouse certificates provided for in this act shall be designated 'State Bonded Warehouse Receipts.'"

COLLINS, Chairman.

Committee Room,

Austin, Texas, September 3, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Finance Committee, to whom was referred

H. C. R. No. 4, Relating to the collection by Consular Agents of information concerning the manufacture of cotton goods,

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

WILLACY, Chairman.

Committee Room,

Austin, Texas, September 4, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Enrolled Bills have carefully examined and compared Senate Concurrent Resolution No. 2 and find it correctly enrolled, and have this day, at 4:30 o'clock p. m., presented same to the Governor for his approval.

GIBSON, Chairman.

#### ELEVENTH DAY.

Senate Chamber,  
Austin, Texas,

(Saturday, September 5, 1914.)

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Bailey of DeWitt.	Harley.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	Nugent.
Collins.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	

S2—7

Absent.

Astin.  
Hudspeth.

McGregor.

Absent—Excused.

Clark.  
McNealus.  
Morrow.

Real.  
Taylor.  
Willacy.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.

#### EXCUSED.

On account of important business:

Senator Morrow, for today and indefinitely, on motion of Senator Harley.

Senator Real, for today, on motion of Senator Johnson.

Senator Clark, for today, on motion of Senator Brelsford.

Senator Willacy, for today, on motion of Senator Cowell.

Senator McNealus, for today, on motion of Senator Carter.

Morning call concluded.

#### REFUSED TO TAKE UP SENATE BILL NO. 1.

S. B. No. 9 being pending business, Senator Wiley asked unanimous consent to take up S. B. No. 1, on third reading.

There was objection.

Senator Wiley moved to suspend the pending order of business and take up, out of its order, S. B. No. 1.

The motion was lost by the following vote (a two-thirds vote being necessary):

Yeas—13.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Brelsford.	McGregor.
Carter.	Nugent.
Cowell.	Townsend.
Darwin.	Wiley.
Greer.	

Nays—9.

Collins.	Terrell.
Conner.	Warren.
Gibson.	Watson.
Johnson.	Westbrook.
Lattimore.	

Absent.

Astin. Hudspeth.

Absent—Excused.

Clark.  
McNealus.  
Morrow.

Real.  
Taylor.  
Willacy.

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 5, 1914.  
Hon. Robt. L. Warren, President Pro  
Tem. of the Senate.

Sir: I am directed by the House to  
inform the Senate that the House has  
passed the following resolution:

H. C. R. No. 7, Relating to contra-  
band of war, and urging that raw cotton  
be held free from contraband declara-  
tions.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### HOUSE CONCURRENT RESOLUTION NO. 7.

(By Unanimous Consent.)

The Chair laid before the Senate H.  
C. R. No. 7, Relating to contraband of  
war, and urging that raw cotton be held  
free from contraband declarations.

The resolution was read and referred  
to Committee on Commerce and Manu-  
factures.

#### SENATE BILL NO. 9.

Action recurred on the pending busi-  
ness, S. B. No. 9, the question being on  
the engrossment, and

Senator Bailey of DeWitt offered the  
following amendment, which was read  
and adopted:

Amend the bill on page 8, after line  
6, by inserting the following:

"Sec. 16. If there is any landlord's  
encumbrance or lien of any kind, express  
or implied, on said cotton at the time  
of its storage, under Title 80, Chapter  
1, of the Revised Civil Statutes of 1911  
of Texas, the same shall remain in full  
force and effect until said cotton is re-  
moved from said premises and for thirty  
days thereafter; provided, that each and  
every person offering any cotton for stor-  
age in a public warehouse shall be re-  
quired to sign a written statement to  
the warehouseman, showing what liens,  
if any, there are upon such cotton, and  
each and every certificate shall show  
upon its face, or on the back thereof,

whether or not there is a lien on such  
cotton, and if a lien, the amount thereof,  
and the character of such lien; and, pro-  
vided, further, that nothing contained in  
the provisions of this act shall in any  
way repeal any law or laws, or any part  
thereof, in this State relating to liens,  
but shall be construed to be cumulative  
thereof."

BAILEY of DeWitt,  
NUGENT.

Senator Watson offered the following  
amendment:

Amend Senate bill No. 9 by striking  
out all after the enacting clause, and  
insert in lieu thereof the following:

Section 1. It is declared that this  
act is an emergency measure, made nec-  
essary by the condition brought about  
by the wars on the continent of Eu-  
rope.

The purpose of this act is to preserve  
the credit of the citizens generally of the  
State; prevent the sacrifice of a large  
part of the products of its industry now  
impending and due to the calamities  
and exigencies of war; to assist in main-  
taining the solvency of the banks char-  
tered by the State of Texas, and pre-  
serve intact the depositors' guaranty  
fund; to maintain the integrity of the  
actual values of the products of in-  
dustry during the present period of  
financial disturbance to the end that  
taxes may be collected and taxable val-  
ues maintained; to furnish a certain,  
safe, authoritative and liquid security,  
to enable the people of the State generally  
to obtain their ratable and proper distri-  
bution of currency issued or authorized  
to be issued by the national govern-  
ment, or other relief issues of money or  
currency made by the national govern-  
ment or authorized to be made by it;  
and generally to preserve the credit and  
industrial and financial integrity of the  
State.

Sec. 2. This act shall be administered  
by the Commissioner of Insurance and  
Banking. To aid him in his work he  
is empowered to appoint a chief clerk  
of the warehouse division of his depart-  
ment, who shall perform the duties usu-  
ally incident to that character of posi-  
tion and such other duties as may be  
assigned him by the Commissioner.  
Such chief clerk shall be paid the sum  
of two hundred dollars (\$200) per  
month for the time that he is em-  
ployed by said Commissioner. The Com-  
missioner of Insurance and Banking  
shall also have authority to employ such  
clerks, stenographers, experts, mana-

gers, examiners and such other help as may be necessary in carrying out the provisions of this measure. All those employed by the Commissioner for any purpose shall receive such salary and compensation as may be fixed by him, except as herein otherwise provided, and, in addition thereto, shall, when traveling on official business receive their actual necessary traveling expenses.

Sec. 3. It shall be the duty of the State banks chartered under the law of this State to render the Commissioner such reasonable assistance as he may request in putting into effect, and in administering this act.

Sec. 4. As soon as this act goes into effect the Commissioner acting as trustee for the State shall establish by renting or leasing in each town or city in this State, whether incorporated or unincorporated, where the demand therefor is reasonably sufficient to justify the outlay, a State warehouse for the storage of cotton in the bale, and shall store the same and issue receipts therefor in the manner herein provided.

Before establishing any warehouse hereunder in any incorporated city or town, the Commissioner may, in his discretion, require such city or town to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse; and authority is hereby conferred upon all incorporated cities and towns and villages and any county of this State to appropriate and use as much of their general funds as may be necessary for such purpose. The Commissioner may also, in his discretion, before establishing any warehouse hereunder at any place require the citizens of such place, represented by some responsible body or committee, to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse, and authority is hereby conferred upon all private corporations, chartered under the laws of the State of Texas, to contribute so much of their funds as may be necessary for such purpose, in aiding the citizens of any particular place to obtain in the manner suggested the establishment and maintenance of a warehouse under this act.

Sec. 5. Each warehouse shall be in charge of a manager to be appointed by the Commissioner, who shall be competent to keep the books required to be kept and to grade and classify cotton. The manager shall give bond payable to the State at Austin, Texas, in the sum of not less than two thousand five hundred (\$2500) dollars and not more than

ten thousand (\$10,000) dollars to be fixed by the Commissioner of Insurance and Banking, graduated according to the capacity of the warehouse or warehouses in charge of said manager. There shall be but one manager in each town, city or village, regardless of the fact that the Commissioner may establish any number of warehouses in each such town, city or village, provided that in appointing said managers the Commissioner of Banking and Insurance shall give preference to persons recommended by the local warehouse association if said persons are found competent to perform such duties. The bond of the manager shall be conditioned for the faithful and competent discharge of his duties under this act, and shall be in form drawn by the Attorney General. The manager of warehouses in each such town, city or village shall receive such salary as may be fixed by the Commissioner and shall employ such help as may be necessary in the discretion of the Commissioner.

Each manager shall have a certificate signed by the Commissioner of Insurance and Banking, showing his appointment as manager, which he shall keep displayed at his office at the warehouse.

Sec. 6. Warehouses established under this act shall be conducted under rules fixed by the Commissioner of Insurance and Banking in order to effectively carry out its provisions, and it shall be the duty of the Commissioner, as soon as may be after organizing this division of his department, to promulgate rules and regulations and forms by which the provision of this law may be carried out.

Sec. 7. Each warehouse receipt issued hereunder shall bear the date of issuance and shall state upon its face the name and number of the warehouse and its location, the description, quantity, number and marks of the cotton there stored, and shall state the class and weight of same, and the date on which it was originally received in the warehouse, and that it is deliverable upon the return of the receipt properly endorsed by the person to whose order it was issued and upon payment of all charges for storage and insurance, which charges shall be stated on the face of the receipt to secure all of which the State shall have a warehouseman's lien.

All such receipts shall be numbered consecutively in the order of their issuance and shall state whether the cotton therein described is exposed to the weather or under shelter. A correct record of such receipts shall be kept in a well bound book, which shall be at all

reasonable hours open to examination by any interested person.

No two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipts be issued, except in the case of a lost or destroyed receipt, in which case a new receipt shall bear the same date and number as the original and shall be plainly marked on its face "duplicate." A receipt in which it is stated that the goods will be delivered to the recipient or to any other specified person is a non-negotiable receipt. A non-negotiable receipt shall have plainly placed upon its face by the manager issuing it "non-negotiable" or "not negotiable." A receipt in which it is stated that the goods will be delivered to the bearer or to the order of any person named in such receipt is a negotiable receipt.

In addition to other provisions each receipt shall have a blank form on the back thereof to be filled in and signed by the owner of the cotton, showing whether such cotton is free from encumbrance or liens of any kind. If there is any encumbrance or liens of any kind on said cotton at the time of its storage the nature and amount of the same shall be clearly set out, and it is made the duty of the manager issuing the receipt to have said blank filled in and signed by the owner of the cotton before issuing a negotiable receipt for same; provided, if there is no encumbrance or lien, that fact shall be shown in the statement; provided, however, such statement may not be made if a non-negotiable receipt is desired.

If the person holding a non negotiable receipt shall desire to obtain a negotiable receipt in lieu thereof he shall return said non-negotiable receipt to the warehouse issuing the same, and thereupon shall comply in every respect with the provisions of this act relating to negotiable receipts, upon compliance with which a negotiable receipt shall be issued to him in lieu of said non-negotiable receipt and said non-negotiable receipt shall thereupon be canceled and the word "canceled" plainly marked or stamped in ink across the face thereof.

No warehouse receipt shall be issued except on the actual previous delivery of the goods in the warehouse or on the premises and under the control of the manager thereof.

A duplicate shall not be issued until the person applying therefor gives a bond equal to the value of the goods for which the same is issued, which bond

shall be given under such rules and regulations as the Commissioner may prescribe.

Sec. 8. Upon the presentation and return to the warehouse of any public warehouse receipt issued by its manager and properly endorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt, but the manager of such warehouse who shall issue a receipt for cotton shall not, under any circumstances or upon any order or guaranty, deliver the property upon which receipts have been issued until such receipts have been delivered and canceled, except in case of lost receipts; and upon any default in strict compliance with the terms of this article the manager shall be held liable not only to the State on his bond but to the lawful holder of the receipt for the full value of the property therein described; and shall further be liable to the special penalty herein provided.

Upon delivery of the goods in a warehouse upon any receipt such receipt shall be plainly marked or stamped in ink across the face thereof with the word "canceled," together with the name of the manager canceling the same, and shall thereafter be void and shall not again be put into circulation, but shall be filed for further inspection.

Sec. 9. The liability of the State shall be that of a public warehouseman and suits may be brought against the State for any liability as such, either at Austin, in Travis county, Texas, or in the county in which is located the warehouse where the cause of action accrued; provided, however, that the weights, classes and grades of cotton stored in warehouses under this act are guaranteed by the State only in favor of those who may loan money on warehouse receipts issued hereunder as collateral, or those who hold evidence of debt originally secured by such warehouse receipts as collateral. And provided further that the State shall not be responsible for such fluctuations in weight as represents ordinary climatic conditions.

Service in all suits may be had upon the Commissioner of Insurance and Banking or upon the local manager of the warehouse at which the cause of action arose.

But in all instances before suit may be brought and maintained a statement of the claims, properly sworn to, giving the amount thereof, and the manner in which it arose, shall be delivered in per-

son or by mail to the Commissioner of Insurance and Banking within ninety days after the accrual of the cause of action, or such notice may be given by delivering a copy of the same to the local manager of the warehouse at which the cause of action arose. No personal liability shall attach to the Commissioner of Insurance and Banking for any action done by him or by his managers under the terms of this act.

Sec. 10. A negotiable receipt issued against cotton stored in a warehouse under this act shall be negotiable and transferable by endorsement in blank or by special endorsement and delivery in the same manner and to the same extent as bills of exchange and promissory notes now are, without any other formality; and the transferee or holder of such warehouse receipt shall be considered and held as an actual and exclusive owner to all intents and purposes of the property therein described, subject only to the lien and privilege of the warehouse for storage, insurance and other warehouse charges; provided, however, that all such warehouse receipts that shall have the words non-negotiable plainly marked or stamped on the face thereof shall be exempted from the provisions of this section.

The manager of each warehouse shall keep a carbon copy of each receipt, whether negotiable or non-negotiable, issued by him and which shall have printed in large letters across the face of the same "Carbon Copy." Such carbon copy shall be of no value for any purpose, except as part of the records of the office of the manager issuing the same.

Sec. 11. All charges for storage shall be fixed by the Commissioner and need not be necessarily the same at all places, but shall be fixed by him, taking into consideration the amount of cotton, local conditions and necessities, the object in view being to collect a sufficient amount at each local warehouse to pay for its operation, but at the same time make the rates reasonable and just. The Commissioner shall in his rules and regulations prescribe when insurance, warehouse charges and other charges shall be due and payable.

Sec. 12. All cotton placed in warehouses shall be insured by the Commissioner, either by individual policies or by blanket policies covering any and all cotton in any State warehouse, the method and manner of securing the insurance to be left to the judgment, dis-

cretion and experience of the Commissioner. In the event of any loss or damage the Commissioner shall collect the insurance due and pay the same over ratably and equitably to those lawfully entitled to the same. All insurance policies shall be issued in the name of the Commissioner of Insurance and Banking.

All cotton placed in a warehouse must be insured and the premiums shall be collected from the owner of the cotton by the Commissioner and the State shall have the warehouseman's lien for the insurance on the cotton, the same as it has for storage charges.

Sec. 13. Cotton shall not be stored in wooden buildings unless such buildings are equipped with fire protection to be approved by the Commissioner, and none shall be stored in anything but waterproof buildings, so that the entire bale shall be protected from the weather. The Commissioner shall equip all places of storage with such practical fire protection as the location and necessities of the warehouse will permit and in all instances every practical safeguard shall be taken, and in the rules and regulations to be formed by the Commissioner governing his managers he shall set forth the general details of the system of fire protection and shall enforce the same; to this end he shall have the right to call to his assistance all the experts, engineers and employes of the State Fire Insurance Commission.

Sec. 14. All warehouse receipt books shall be designated by the Commissioner and printed under his direction and be furnished each warehouse by him, each receipt being numbered and accounted for by the manager under such rules as the Commissioner may provide. Each receipt shall contain the lithographed or engraved signature of the Commissioner of Insurance and Banking and the lithographed or engraved seal of his department, but the same shall be signed with pen and ink by the local manager.

Sec. 15. All local managers shall make reports as required to the Commissioner of Insurance and Banking, showing the amount, grade, character, classification and weight of cotton received and delivered by him and from whom received and to whom delivered; said reports to be in such form as may be designated by the Commissioner of Insurance and Banking. Such manager shall also make such other reports as

may be required by the Commissioner. All reports required by the Commissioner shall contain such other information as may be requested by the Commissioner.

Sec. 16. The Commissioner of Insurance and Banking shall appoint a sufficient number of warehouse examiners to visit each local warehouse from time to time and carefully examine the records kept by the managers and the contents of said warehouses, and make such reports to the Commissioner of Insurance and Banking relative thereto and relative to all other matters that may be required and specified by the Commissioner concerning such warehouses. Such examiners shall visit each warehouse at least twice during each cotton season and at such other times as may be designated by the Commissioner of Insurance and Banking.

Sec. 17. Every warehouse examiner appointed by the Commissioner shall be a competent cotton classer, and before entering upon the duties of his office shall take and file in the office of the Commissioner the constitutional oath, and in addition thereto shall take an oath to make fair and impartial examinations and that he will not accept as presents or emoluments any pay, directly or indirectly, for the discharge of any act in the line of his duty other than the remuneration accorded and fixed by law; and that he will not reveal the condition of any warehouse examined by him or of any storage account examined by him or give any information secured in the course of examination to any one except to the Governor, the Commissioner and the Attorney General; and except when required to do so in the enforcement of the law upon the order of a district or county judge.

No such examiner shall be appointed who is at the time an officer or stockholder in any warehouse company or warehouse corporation or a member of any firm or an officer of any corporation engaged in the purchase or sale of cotton or cotton products.

Each such examiner shall enter into a bond payable to the State in the sum of ten thousand dollars (\$10,000) to be approved by the Commissioner and deposited in this office, conditioned that he will faithfully perform his duties as such examiner.

As full compensation for the performance of the duties of examiner each person so appointed shall be entitled to receive a salary of one hundred and fifty dollars (\$150) per month during the time he is employed as such examiner,

and all necessary traveling expenses. An itemized account of such expenses shall be rendered monthly under oath by each examiner and shall be approved by the Commissioner. Provided, however, the Commissioner may in his discretion cause State Bank Examiners to perform the duties of warehouse examiners in addition to their duties as State Bank Examiners, where such action will be economical, desirable and practical; in such instance, however, it will not be necessary for the State Bank Examiner to make any additional bond or take any additional oath. The expense of any examination by a State Bank Examiner shall be borne by the funds appropriated for the enforcement of this law.

Sec. 18. The Commissioner shall have authority and it shall be his duty if he finds it necessary in addition to local warehouses to lease and maintain warehouses at points of concentration.

Sec. 19. The warehouseman's lien herein provided for when same has become due may be satisfied as follows:

The manager shall give a written notice to the person on whose account the goods are held, and to any other person known by the manager to claim an interest in the goods. Such notice shall be given by delivery in person or by registered letter addressed to the last known place of business or abode of the person to be notified. The notice shall contain:

(a) An itemized statement of the manager's claim, showing the sum due at the time of the notice and the date or dates when it became due.

(b) A brief description of the goods against which the lien exists.

(c) A demand that the amount of the claim as stated in the notice, and of such further claim as shall accrue shall be paid on or before a day mentioned, not less than ten days from the delivery of the notice if it is personally delivered, or from the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail, and

(d) A statement that unless the claim is paid within the time specified the goods will be advertised for sale and sold by auction at a specified time and place.

In accordance with the terms of a notice so given, a sale of the goods by auction may be had to satisfy any valid claim of the manager for which he has a lien on the goods. The sale shall be had in the place where the lien is acquired, or, if such place is manifestly un-

suitable for the purpose, at the nearest suitable place. After the time for the payment of the claim specified in the notice to the depositor has elapsed, an advertisement of the sale, describing the goods to be sold, and stating the name of the owner or person on whose account the goods are held, and the time and place of the sale shall be published in the place where such sale is to be held. The sale shall not be held less than fifteen days from the time of the first publication. If there is no newspaper published in such place, the advertisement shall be posted at least ten days before such sale in not less than six conspicuous places therein.

From the proceeds of such sale the manager shall satisfy the lien, including the reasonable charges of notice, advertisement and sale; and balance, if any, of such proceeds shall be held by the manager, and delivered on demand to the person to whom he would have been bound to deliver or justified in delivering the goods.

At any time before the goods are so sold any person claiming a right of property or possession therein may pay the warehouse manager the amount necessary to satisfy his lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of such payment. The manager shall deliver the goods to the person making such payment if he is a person entitled under the provisions of this act to the possession of the goods on payment of the charges thereon. Otherwise the manager shall retain possession of the goods according to the terms of the original contract of deposit.

Sec. 20. This act being intended as an emergency measure it is the intent that it shall remain in force and effect only so long as the emergency, which caused its passage shall continue, and the Commissioner is directed to cease receiving cotton under this act not later than the 31st day of August, 1915; and he is expressly authorized to cease the receipt of cotton at any place or places whenever the demands of the public do not justify the further operation of a warehouse at such place or places as emergency agencies; or whenever general financial conditions and trade demands render it practicable for the service sought to be performed under this act to be taken over and discharged by and under the direction of any bonded warehouse system which may be created

and established before the expiration of this act on August 31, 1915.

Sec. 21. No action shall be brought against the Commissioner or his local manager for any lawful action taken under this act, but all such suits shall be brought against the State; and the same shall be defended by the Attorney General, but the Commissioner may, if necessary, employ counsel in any particular suit.

Sec. 22. All charges, funds, and dues collected under this act shall constitute a special fund to be used only in the administration of this law and paying obligations hereunder until further action be taken by the Legislature; and all such funds are hereby appropriated for such purposes.

There is hereby appropriated out of any funds in the Treasury not otherwise appropriated for the year ending August 31, 1915, the sum of one hundred thousand dollars or so much thereof as may be necessary for administering the affairs of this division of the Department of Insurance and Banking.

Sec. 23. In the event the Commissioner should have space in any particular warehouse in excess of its use for cotton he may store and issue receipts for other non-perishable farm products, but the general purpose of this law is the storage of cotton, and the storage of all other farm products shall be incidental and optionary with the Commissioner as to each particular warehouse.

Sec. 24. The standards of weights and measures of this State shall be the standard of weights and measures used under this act. It shall be the duty of the Commissioner to establish standards of classification for cotton and the originals of such standards shall be maintained subject to inspection in his office in the State Capitol. Duplicates of said classification of cotton, as well as standards of weights and measures, shall be furnished to the managers of each warehouse as soon as may be done. The standards of classification of cotton shall be the same as those established by the Department of Agriculture of the United States; but it shall not be necessary for the manager of any particular warehouse to receive such standards from the Commissioner before he may begin operation; it is only intended by this provision that such standards shall be ultimately furnished when the Commissioner is able to furnish the same. All products stored in a State warehouse shall be weighed, graded and classed by the manager thereof, and it

shall not be necessary for the same to be weighed by a public weigher for any purpose. Provided, said tags shall be of pasteboard, such as are ordinarily used in cotton warehouses.

Sec. 25. The manager of any warehouse operating hereunder or any employee or servant at a warehouse who issues or aids in issuing a receipt, knowing that the goods for which said receipt is issued have not been actually received in the warehouse or are not under the control of the manager thereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for a period not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 26. Any manager of a warehouse or any employee or servant at a warehouse who fraudulently issues or aids in fraudulently issuing a receipt for goods, knowing that the same contains any false statement, other than that defined by Section 26 hereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding two years or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 27. Any manager of or any employee or servant at a warehouse under this act who issues or aids in issuing a duplicate or additional negotiable receipt for goods, knowing that a former negotiable receipt for the same, or any part thereof is outstanding and uncanceled, without plainly placing on the face thereof the word "duplicate," as provided in the case of a lost or destroyed receipt, shall be guilty of a felony and on conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 28. Any manager of a warehouse or servant or employee at a warehouse who delivers goods out of the warehouse, knowing that a negotiable receipt the negotiation of which would transfer the right to the possession of the goods is outstanding and uncanceled, without obtaining possession of such receipt at or by the time of its delivery, except and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding one year or by fine not

exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 29. Any person who deposits goods in a warehouse under this act, to which he has no title or upon which there is a lien or mortgage and who takes for such goods a negotiable receipt which he afterwards negotiates for value with intent to deceive, and without disclosing his want of title or the existence of a lien or mortgage, shall be guilty of a felony, and upon conviction be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 30. Any person who wilfully and knowingly violates any of the provisions of this act for which a penalty is not otherwise provided, or who wilfully does any act or thing prohibited by this act for which a penalty is not otherwise provided, or who wilfully and knowingly does any act or thing prohibited by this act for which a penalty is not otherwise provided for, or who wilfully or knowingly fails to do anything herein provided for, for which a penalty is not otherwise provided, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding one thousand dollars or by confinement in the county jail for a term not exceeding one year, or by both such fine and imprisonment.

Sec. 31. Only cotton or other products grown in the State of Texas shall be stored in warehouses operating under this act.

Sec. 32. It is further provided that the Commissioner may lease wheat and grain elevators, and store and issue receipts for wheat and grain in the same manner as herein provided for cotton, and to the same extent, should it become necessary in furtherance of the general public purpose of this act; and that in so doing all the provisions of this measure with reference to cotton shall apply, so far as practicable.

Sec. 33. If any particular section of this act shall be held unconstitutional, such holding shall not invalidate any portion thereof.

Sec. 34. The importance of the legislation proposed in this act and the necessity of providing immediately sufficient warehouses to store the cotton products of this State, in view of the financial disturbances due to the European wars, creates an emergency and an imperative public necessity requiring



that the constitutional rule providing bills shall be read on three several days in each house shall be suspended, and the said rule is so suspended and this act shall take effect from and after its passage, and it is so enacted.

Pending the reading of the above amendment, Senator Carter made the point of order that the amendment was not germane to the bill.

The Chair overruled the point of order.

Senator Darwin moved to table the amendment, and on that motion moved the previous question on the amendment.

The motion for the previous question being duly seconded was so ordered.

Action recurred on the motion to table the amendment, and the same was lost by the following vote:

## Yeas—10.

Bailey of DeWitt.	Hall.
Carter.	Harley.
Cowell.	Lattimore.
Darwin.	Nugent.
Greer.	Wiley.

## Nays—13.

Bailey of Harris.	McNealus.
Brelsford.	Terrell.
Collins.	Townsend.
Conner.	Warren.
Gibson.	Watson.
Hudspeth.	Westbrook.
Johnson.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McGregor.	Taylor.
Morrow.	Willacy.

Senator Lattimore made the point of order that the amendment was not germane to the purposes of the bill that was sought to be amended, citing constitutional provisions.

Senator Townsend, at 11:35 o'clock, moved that the Senate recess until 2 o'clock today.

Senator Darwin moved, as a substitute, that the Senate adjourn until 10 o'clock Monday morning.

Action recurred on the longest time first, and the substitute was lost by the following vote:

## Yeas—6.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Darwin.	Wiley.

## Nays—17.

Brelsford.	Johnson.
Carter.	Lattimore.
Collins.	McGregor.
Conner.	Terrell.
Cowell.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hudspeth.	Westbrook.
Nugent.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Action recurred on the motion to recess until 2 o'clock today, and the motion was lost by the following vote:

## Yeas—3.

Conner.	Townsend.
Lattimore.	

## Nays—20.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Hudspeth.
Brelsford.	Johnson.
Carter.	McGregor.
Collins.	Nugent.
Cowell.	Terrell.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Action recurred on the pending bill, Senate bill No. 9, the question being on the point of order by Senator Lattimore, and the Chair overruled the same.

Action then recurred on the amendment by Senator Watson and the same was adopted by the following vote:

## Yeas—12.

Brelsford.	McGregor.
Collins.	Terrell.
Conner.	Townsend.
Harley.	Warren.
Hudspeth.	Watson.
Johnson.	Westbrook.

## Nays—8.

Cowell.	Darwin.
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Gibson.	Lattimore.
Greer.	Nugent.
Hall.	Wiley.

Present—Not Voting.

Bailey of DeWitt.	Carter.
Bailey of Harris.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Senator Darwin moved that further consideration of the bill be postponed until Tuesday of next week.

On motion of Senator Watson, the motion to postpone was tabled.

Pending discussion, Senator Lattimore moved that the Senate recess until 3 o'clock today, which motion was lost by the following vote:

Yeas—6.

Conner.	Lattimore.
Gibson.	Nugent.
Hudspeth.	Terrell.

Nays—17.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Johnson.
Brelsford.	McGregor.
Carter.	Townsend.
Collins.	Warren.
Cowell.	Watson.
Darwin.	Westbrook.
Greer.	Wiley.
Hall.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Action recurred on the engrossment of Senate bill No. 9, and Senator Westbrook offered the following amendment:

Amend the bill by adding after Section 7, Sections 7a, 7b and 7c, as follows:

"Section 7a. When any negotiable cotton warehouse receipt is presented for a loan to any person, firm or corporation, the parties to the contract may agree to and stipulate for any rate of interest not exceeding ten (10) per cent per annum on the amount of the contract.

"Section 7b. All contracts whatsoever which may in any way, directly or indirectly, violate the preceding article by stipulating for a greater rate of interest than ten (10) per cent per annum shall be deemed usurious interest and void, and any person, firm or corporation lending money on any said negotiable cotton warehouse receipt at a rate of interest in excess of ten (10) per cent per annum shall forfeit both the principal and interest on said loan, and in addition thereto be punished, if an individual, by serving a term in the county jail of the county where said loan is made of not less than thirty or not more than ninety days; and if a firm or corporation, the agent or officer of same so offending shall be punished as provided herein for an individual.

"Section 7c. It is hereby declared that should the two preceding sections or either of said sections be declared by the courts unconstitutional, it will in no wise affect the validity of any other section or part of this bill."

(Senator Hudspeth in the chair.)

The amendment was read, and

Senator Cowell made the point of order that the amendment was not germane to the bill, and was not included in the Governor's call.

The Chair overruled the point of order.

Action recurred on the amendment, and the same was adopted by the following vote:

Yeas—12.

Collins.	Lattimore.
Conner.	McGregor.
Cowell.	Terrell.
Darwin.	Townsend.
Hall.	Westbrook.
Hudspeth.	Wiley.

Nays—10.

Bailey of DeWitt.	Harley.
Brelsford.	Johnson.
Carter.	Nugent.
Gibson.	Warren.
Greer.	Watson.

Absent.

Astin.	Bailey of Harris.
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Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

RECESS.

On motion of Senator Townsend, the

Senate, at 12:25 o'clock p. m., recessed until 3 o'clock p. m. today.

#### AFTER RECESS.

The Senate was called to order by President Pro Tem. Warren.

#### HOUSE BILL NO. 1.

S. B. No. 9, being pending business, Senator Townsend asked for unanimous consent to suspend the pending business for the purpose of taking up H. B. No. 1.

There was objection.

Senator Townsend moved to suspend the pending business, S. B. No. 9, and the Senate take up, out of its order, H. B. No. 1.

Senator Lattimore called for the construction of Rule 22a, which provides: "That when a House bill containing the same subject matter of a Senate bill becomes regularly on the calendar that the House bill shall be laid before the Senate in lieu of the Senate bill."

The Chair sustained the rule and laid before the Senate on second reading, in lieu of S. B. No. 9,

H. B. No. 1, A bill to be entitled "An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual value of the products of industry during the present period of financial distress, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government, and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for the storage of cotton in bales, wheat in elevators and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto

and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotiable and non-negotiable receipts, prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions and rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman, and permitting suit to be brought against it as such; prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charge for storing; authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of building may be used for warehouses and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have the State warehouse examined by State bank examiners; providing how the warehouseman's lien provided for in the measure may be satisfied; stating when and under what conditions the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; defining the standard of weights and measures and classification to govern the Commissioner in the administration of this act; creating certain penal offenses to secure the enforcement of the act, and prescribing penalties therefor; making an appropriation to carry out the provisions of this act, and declaring an emergency."

Senator Wiley made the point of order that S. B. No. 1, on third reading, had precedence over a bill on second reading.

The Chair overruled the point of order.

The committee report with (committee) amendments was adopted.

Senator Lattimore moved that the bill be considered by sections, acting on each section as reached.

The motion prevailed.

(Senator Darwin in the chair.)

#### Section 1.

Read and no amendments offered.

#### Section 2.

Senator Carter offered the following amendment, which was read and adopted:

Amend the bill, page 4, by adding after the word "expenses," at end of Section 2, the following: "Provided, further, that the salary and compensation of each clerk or employe other than the chief clerk shall not exceed the amount of \$150 per month for the time that he is employed by said Commissioner of Insurance and Banking."

Senator Wiley offered the following amendment, which was read and adopted:

Amend the bill, page 3, line 27, by striking out the word "managers."

Senator Watson offered the following amendment, which was read and adopted:

Amend the bill by adding after the word "Commissioner" wherever it occurs in the bill the following: "Of Insurance and Banking."

#### Section 3.

Senator Wiley offered the following amendment, which was read and adopted:

Amend the bill, page 4, by striking out "Section 3," and renumbering following sections.

#### Section 4.

Senator Carter offered the following amendment, which was read and adopted:

Amend the bill, page 4, by adding after the word "purpose," in line 20, the following: "Provided, that when said incorporated city, town or village shall appropriate out of their general funds sufficient amount to establish said warehouse, the city council of said city, town or village shall nominate the warehouse manager subject to confirmation by the Commissioner of Insurance and Banking."

Senator Bailey of DeWitt offered the following amendment:

Amend the bill, page 4, by striking out all of Section 4 of said bill, after line 12.

Senator Watson offered the following substitute for the amendment:

Amend the bill, page 4, Section 4, by striking out the word "require" where it appears and insert in lieu thereof the word "permit."

Pending.

#### ADJOURNMENT.

Senator Carter, at 5:10 o'clock p. m., moved that the Senate adjourn until 10 o'clock Monday morning, and

Senator Collins moved, as a substitute, that the Senate adjourn until 10 o'clock Tuesday morning.

Action recurred on the longest time first, and the substitute motion was lost by the following vote:

Yeas—6.

Bailey of Harris.	Harley.
Collins.	Hudapeth.
Hall.	Watson.

Nays—16.

Bailey of DeWitt.	Johnson.
Brelaford.	Lattimore.
Carter.	Nugent.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.

Absent.

Astin.	McGregor.
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Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

The motion to adjourn until 10 o'clock Monday morning was then adopted.

#### APPENDIX.

#### PETITIONS AND MEMORIALS.

Pleasanton, Texas.

John H. Bailey, Austin, Texas:

Whereas, in consideration of the depressing financial condition growing out of the European war, we, the Farmers' Union of Atascosa county, Texas, assembled in special called session at Pleasanton, Texas, do most respectfully petition you of the Senate to work in the interest of a stay law, staying the execution of all mortgages, liens, notes

and all debts for at least six (6) months in order to avert the crisis growing out of the forced collection under the present forced conditions of the producer incident to the depression of forced prices caused principally by European war.

C. JENKINS, President.  
GEO. DAVIS.

#### COMMITTEE REPORTS.

Committee Room,  
Austin, Texas, September 5, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 8, A bill to be entitled "An Act to create a State bonded warehouse system and afford a method of co-operative marketing for those engaged in the production of farm and ranch products and for the purpose of effectuating this, and creating a State Warehouse Commission, to be composed of three members to be appointed by the Governor, with the advice of the Senate; defining the authority of the Commission and giving it powers of visitation over the corporations chartered under the act; as a part of the system authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the State Warehouse Commission; defining the purpose, power, and authority of such corporations and regulating the chartering, management and business of the same; defining and prescribing the receipt to be issued by State bonded warehouses and the rights of the respective parties thereunder, and providing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses as incidents of their warehouse and marketing business; declaring gins to be subject to a public use and requiring that all ginners in the State shall obtain a license from the State Warehouse Commission and give bond to observe certain rules and regulations relative to the ginning and baling of cotton and sampling the same; authorizing the State Warehouse Commission to employ the services of a chief clerk, defining his duties, and also the necessary clerical help, office force and examiner, and creating the office of State warehouse

examiners, defining their authority, duties, and compensation; prescribing the salary of the State Warehouse Commissioners and the chief clerk; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses in the State Warehouse Commission, and transferring the archives in the office of the Commissioner of Insurance and Banking with reference to warehouse corporations to the State Warehouse Commission, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an emergency measure by the Commissioner of Insurance and Banking; creating and defining offenses in violation of the act, and prescribing penalties therefor; making appropriation for carrying the act into effect, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

Committee Room,  
Austin, Texas, September 5, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills, to whom was referred

S. B. No. 1, A bill to be entitled "An Act construing the term public cotton warehouse, providing for the construction of public cotton warehouses, requiring ginners to construct buildings or platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginners; construing the term warehouseman, providing for bond of warehouseman, imposing certain duties upon the Commissioner of Insurance and Banking, providing for the issuance of charter to warehouseman, providing for warehouseman records, and examination of public cotton warehouses, defining the terms samples, loose, linter and bolly; making warehouse receipts negotiable; providing for fees of warehouseman, examination of warehouses and charges for each examination, limited number of warehouses conducted under one charter; requiring railway companies to shed platform and to transport cotton in closed cars, requiring compresses to be supplied with weatherproof platforms to protect cotton, requiring all persons concentrating cotton to provide suitable platforms and sheds to protect same from

damage, providing penalties; repealing all laws in conflict, and declaring an emergency."

Have carefully compared same, and find it correctly engrossed.

BRELSFORD, Chairman.

#### TWELFTH DAY.

Senate Chamber,  
Austin, Texas,  
Monday, September 7, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McNealus.
Conner.	Nugent.
Cowell.	Real.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.

Absent.

Astin.	McGregor.
Brelsford.	Watson.
Clark.	

Absent—Excused.

Collins.	Taylor.
Morrow.	

Prayer by W. A. McLeod of Austin.

Pending the reading of the Journal of Saturday, the same was dispensed with on motion of Senator Bailey of Harris.

#### EXCUSED.

On account of important business:

Senator Hudspeth, for non-attendance for last Friday, on motion of Senator Cowell.

Senator Collins, for today and tomorrow, on motion of Senator Townsend.

#### BILLS AND RESOLUTIONS.

Senator Darwin offered the following resolution:

By Senators Wiley and Darwin:

Senate Concurrent Resolution No. 4:

Whereas, The Legislature of the State of Texas is doing all possible to relieve the cotton situation so far as legislation can do so, and will do all possible to relieve the situation; and

Whereas, We are confident that all the people must co-operate together for the general good, and we know that all alike will be injured by the great loss to farmers and business men of all professions if our cotton crop is sold at a price below the cost of production; and

Whereas, The great body of cotton growers of the State have obligations that are outstanding and that are now maturing and will mature within the next thirty to sixty days; and

Whereas, They as a rule are men of ordinary means and unable to tide themselves over a crisis by individual effort; and

Whereas, The great citizenship of Texas, acting co-jointly as citizens, have an abundance in store and are in position to lend aid to their weaker neighbors; and

Whereas, We believe that the purchase of one bale of cotton by each citizen who is able to make such purchase would greatly relieve the congested condition of the market and retire many thousands of bales from the market that would otherwise become distressed cotton, and if sold would result in great loss to the cotton farmers of this State; now, therefore, be it

Resolved by the Senate, the House concurring, That each member of the Senate and the House who feel themselves able and willing to do so, buy one bale of cotton at not less than ten cents per pound, obligating themselves to store the bale purchased, and withhold it from the market for a period of at least twelve (12) months, or until the prevailing price of cotton is at least ten cents per pound, and that we recommend and request of citizens of the State who are in a position to do so to buy one bale of cotton at a price of not less than ten cents per pound and place it in storage as hereinbefore suggested.

We further recommend that each cotton farmer of the State, growing and producing a crop of more than five bales of cotton, hold one bale off the market and that the purchases made as suggested herein in so far as may be possible, be made from that class of our cotton farmers who are now or may become depressed by the burden of debt and the necessities of life.

Be it further resolved, That the Secretary of the Senate be directed to fur-